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SUBJECT: MEDIA REACTION REPORT - Iraq Middle East - Israel -
Hamas

PARIS - Thursday, March 16, 2006

(A) SUBJECTS COVERED IN TODAY'S REPORT:

Iraq
Middle East - Israel - Hamas

B) SUMMARY OF COVERAGE:

Today's demonstrations to protest against the government's youth employment legislation is the leading story today, but the exceptional profits made by a number of large French corporations leads in the economic press, with profits of 84 billion euros registered for 2005, up by 27%. "Historic results" says Le Figaro Economie, while La Tribune's editorial supports the PM's idea of spreading employee participation in the benefits. Le Figaro's editorial for its part comments on "a bit of blue skies in the midst of an endless winter." But it also warns against the dangers of profitability, which makes these corporations highly attractive to corporate raiders. Separately, the French company Areva is noted as having lost its contract to build a nuclear plant in China, which is to go to Westinghouse. According to Le Figaro Economie, Areva is not ready to reveal enough of its technology, whereas the U.S. company "is ready to reveal its building plans."

International news include the World Forum on Water in Mexico, front-paged in Le Monde, Iran's role in Iraq, the Moussaoui trial, and the situation in Palestine after the Israeli incursion into Jericho. The editorial in Le Monde is entitled "Abbas Humiliated." (See Part C)

Liberation devotes a major report to the EU's concerns with energy security in connection with the G8 in Moscow. The report emphasizes the "disagreements among EU members" because of "economic and diplomatic national interests." But Les Echos reports that the U.S. and Russia are in agreement about commercial nuclear energy: "Washington's offer to developing nations is very clear: free access to commercial nuclear energy under the aegis of the IAEA, in exchange for renouncing to develop uranium enrichment technology. This is the same offer Moscow made to Iran in order to end that crisis."

Liberation reports on its front-page that "Bush Wants Out of Iraq" (See Part C) and carries an op-ed by Jack Straw entitled "Iraq, Ballots, not Bullets." "I recently left Baghdad feeling optimistic. Iraq is at a turning point. and I believe it will come out on top. More and more Iraqis are turning to the electoral process. Iraqi security forces are increasingly taking over. They are today more numerous than the international forces. The transfer for the control of Iraq will be implemented when the Iraqi government will want it. A majority of Iraqis are determined not to let the terrorists have the upper hand."

Agence France Presse wires report that "France is taking a low profile on Iraq and fears an American failure. "France...no longer wants to see the Americans leave, because the situation in Iraq could have terrible consequences for European security," says Antoine Basbous of the Observatory of Arab Countries. Didier Billion, of IRIS, says, "France didn't know how to capitalize, on the international chess board and in the Arab world, the fight it conducted in vain that it lead in the UN."

(C) SUPPORTING TEXT/BLOCK QUOTES:

Iraq

"Bush Looking to Get Out of Iraq"
Pascal Riche in left-of-center Liberation (03/16): "President Bush has committed to a new series of speeches in which he praises the 'progress' made in Iraq. At first glance there is nothing new here, except that he and his administration are trying to prepare American public opinion to putting an end to an adventure which has proven to be disastrous. (In these speeches) the traditional enemies, 'the foreign terrorists,' have disappeared from the scene, and with them one of the

reasons for the U.S. presence in Iraq. President Bush spoke on Monday about a country that was on the 'brink of chaos' but had not yet chosen to accept the plunge. The emphasis is on the notion of 'choice' and this is not innocuous. It is a way of presenting the risks of 'civil war' as an Iraqi domestic problem for which only the Iraqis have the solution. In his speech President Bush also insisted on the progress made in the training of Iraqi security forces, and indicated for the first time that 'they should be controlling more of the Iraqi territory than the coalition by the end of 2006.' Bush in fact has no choice. His margin of maneuver is getting narrower. His exit strategy, an Iraqi union government, looked good on paper, but difficult to implement. More and more the prevailing idea is that 'whether or not the occupation forces leave, the result is a civil war.' And so Washington is increasingly opting for leaving Iraq, spurred by American opinion. Many of Bush's Republican supporters are now turning their backs on the President. And so, as Senator Biden says, if things do not improve, 'we will just have to declare game over.'"

"In Baghdad, an Iranian Trojan Horse"
Gorges Malbrunot in right-of-center *Le Figaro* (03/16): "Both the Americans and the Sunnis are after him. But Bayan Jabr will fight to the end to keep his position in Baghdad's Interior Ministry. He is the Trojan horse of the Shiite militia fighting the Sunni guerrilla. He embodies everything the Americans want to eradicate from the Iraqi security forces before they leave. They fear that the Iranians, Jabr's sponsors, will be pulling the strings once they are gone. Hence the U.S. efforts to open up the security forces to the Sunnis. before the Americans hand over the country's security."

Middle East - Israel - Hamas

"Abbas Humiliated"
Left-of-center *Le Monde* in its editorial (03/16): "Kidnapping foreign citizens in the Palestinian territories is totally stupid. It is not by threatening humanitarian workers or journalists who are in the area to spread the word about he hardships that the people in Gaza face, that the Palestinian cause will be viewed positively. Beyond this fact the Jericho episode shows how isolated Palestine is. Olmert's 'victory' is first and foremost a humiliation for the Palestinians, and above all for the leader of the Palestinian authority Mahmoud Abbas. Israel could give no clearer sign of how insignificant an interlocutor it considers him to be. The weak acceptance on the part of the international community - the U.S. and the EU - of the Israeli raid is also a cause for concern. We were led to believe that the 'moderates' needed to be secured in their position since the victory of Hamas. Now these same moderates are ridiculed and no one is speaking up for them. How can we ask Palestinians to disarm their terrorist organizations and at the same time accept that Israel does whatever it wants on their territory? The Jericho incursion marks a new step in the slow destruction of the Palestinian Authority. Americans and Europeans alike have nothing to say and threaten the PA further with economic sanctions. They are taking the risk of undoing everything that has been achieved in over a decade, to add crisis to crisis and to fuel hatred of the West."

"Abbas Discredited"
Patrick Saint Paul in right-of-center *Le Figaro* (03/16): "Yesterday, the Palestinian leader was under the fire of criticism. The Israeli incursion into Jericho, which was a diplomatic disaster for him, emphasized both his lack of popularity and his weakness. The attack on the prison, on the heels of the flight of the British and American observers who were supposed to protect the prisoners, was a harsh blow to the credibility of President Abbas. By entering the only Palestinian city which managed to keep up a semblance of autonomy, the Israeli army was able to deprive the Palestinians of any remaining illusions about their sovereignty. The Palestinian moderates are watching Israel's unilateralism but remain speechless." STAPLETON